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COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT

PLANNING COMMISSION

MEETING DATE December 8, 2005	CONTACT/PHONE John Nall Principal Environmental Specialist (805) 781-5010	APPLICANT Unocal Corporation	FILE NO. D890558D
<p>SUBJECT A request by Unocal Corporation (applicant) to approve the Wetland Restoration and Mitigation Plan (WRMP) as required by Condition F67 of Coastal Development Permit/Development Plan D890558D (CDP/DP). The County of San Luis Obispo issued Permit D890558D in 1998 after preparation and certification of an EIR that evaluated site-wide remediation and restoration at the Guadalupe Field (project site). The location of the project site is shown in Exhibit A and B.</p> <p>Condition F67 requires that Unocal submit and obtain approval for the Wetland Restoration and Mitigation Plan from the San Luis Obispo County Planning Commission prior to beginning any excavation activities at wetland sites. Unocal is required by the Regional Water Quality Control Board (RWQCB) (CAO 98-38) to conduct excavations at 12 sites that contain wetlands. The locations of the wetlands are shown in Exhibit C. Approval of the WRMP by the San Luis Obispo County Planning Commission was required by the California Coastal Commission as part of the appeal of the original CDP/DP D890558D back in 1998. The California Coastal Commission wanted the option to have the Wetland Restoration and Mitigation Plan brought before the Commission for review and approval. This option could only be maintained by having the WRMP go before the San Luis Obispo County Planning Commission for approval, which could then be appealed to the California Coastal Commission.</p> <p>For each of these sites, Unocal is required by Condition F67 to develop a site-specific wetland restoration and mitigation plan. The specific requirements of the wetland restoration and mitigation plans are spelled-out in Condition F67, which states the following.</p> <p><i>Prior to the initiation of oil spill remediation, oil field abandonment, or infrastructure removal activities which could result in unavoidable impacts to wetlands, except such activities at sites M4 and L11, the County Planning Commission must approve a Wetland Restoration and Mitigation Plan developed by Unocal in consultation with the Army Corps of Engineers, the U.S. Fish and Wildlife Service, the California Department of Fish and Game, the County Department of Planning and Building and the Executive Director of the Coastal Commission. Prior to April 1, 1999, Wetland Restoration and Mitigation Plans for sites M4 and L11 shall be developed by Unocal in consultation with the Army Corps of Engineers, the U.S. Fish and Wildlife Service, the California Department of Fish and Game, the County Department of Planning and Building, and the Executive Director of the Coastal Commission and submitted for approval to the County Planning Commission. The Wetland Restoration and Mitigation Plan shall include, but not necessarily be limited to, the following elements:</i></p> <ul style="list-style-type: none">a. <i>The ratio of the area of created or restored wetlands to the area of impacted wetlands shall be 4 to 1, unless otherwise required by resource agencies.</i>b. <i>To promote the reestablishment of desired wetland and transition habitats where these habitats have been excavated, post-treatment ground elevations shall be established so as to provide saturated surface soil conditions at the lowest points, surrounded by zones of gradual</i>			

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transition (averaging less than 5 percent slope) to provide a range of microhabitats that can accommodate the requirements of sensitive plant species. Final elevations shall be determined based on monitoring records for the site and the observation of groundwater depths during remediation.

- c. *A plan for monitoring dissolved-phase diluent to ensure detection of exposures approaching potential damage thresholds as determined by the U.S. Fish and Wildlife Service and the California Department of Fish and Game. Monitoring reports shall be submitted to the U.S. Fish and Wildlife Service the California Department of Fish and Game, the County Department of Planning and Building, and the Executive Director of the Coastal Commission quarterly or whenever it thresholds are exceeded.*
- d. *The restored or created wetland and adjacent upland and transitional habitats within 100 feet, or a greater distance if required by appropriate resource agencies, shall be included in the Habitat Restoration, Revegetation, and Monitoring Plan described in Condition 64 in Exhibit F.*

(Note: Initially M4 and L11 were going to be the first remediation projects under the CDP/DP; however, Unocal and the Resource Agencies decided to defer all remediation activities at wetland restoration Sites until the Site-Wide Ecological Risk Assessment as completed. Therefore, it was not feasible to prepare the Wetland Mitigation and Restoration Plans for M4 and L11 by the April 1, 1999 deadline indicated in CDP/DP Condition F67. The Site-Wide Ecological Risk Assessment was screening level risk assessment that addressed the potential for impacts to wildlife and vegetation from the various sources of contamination at the Guadalupe site. The Ecological Risk Assessment was conducted under mediation and included the RWQCB, California Department of Fish and Game (CDFG), and Unocal. The assessment was ratified in March of 2004.)

Approximately 5.65 acres of wetlands will be disturbed by the excavation activities. Unocal is proposing to restore approximately 30.24 acres of wetlands on site in order to meet the 4 to 1 ratio required by Condition F67(a). Unocal is proposing to restore more wetlands than required by the condition since there is some level of uncertainty that all of the restored wetland will be able to meet the success criteria.

The proposed project is within the Rural Lands and Recreation land use categories and is located at 2184 West Thornberry Road, approximately 0.25 mile west of the intersection of Thornberry Road and Highway 1, throughout various locations within the 2,800-acre oil field, within the Nipomo Dunes System, and approximately three miles west of the City of Guadalupe (refer to Exhibit D and E). A majority of the site is located in the southwest corner of San Luis Obispo County with a small portion extending into the northern portion of Santa Barbara County.

RECOMMENDED ACTION

1. Approve the Wetland Restoration and Mitigation Plans as required by Condition of Approval F67.

LAND USE CATEGORY	COMBINING DESIGNATION	ASSESSOR PARCEL NUMBERS	SUPERVISOR DISTRICT(S)
Recreation Rural Lands	Energy & Extractive Area, Flood Hazard, Sensitive Resource Area, Terrestrial Habitat, Local Coastal Plan	092-041-001, 092-041-003, 092-041-004, 092-041-005, 092-041-006, 092-051-002	4

PLANNING AREA STANDARDS:

South County Rural Area Standards: Areawide. Circulation 1. Areawide Systems – Development Plan Projects

South County Rural Area Standards: Combining Designations. Energy and Extractive. 4. Permit Requirement

South County Rural Area Standards: Combining Designations. Local Coastal Plan. 6. Union Oil

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South County Rural Area Standards: Combining Designations. Santa Maria River. 10. Habitat Protection	
South County Rural Area Standards: Combining Designations. Santa Maria River. 12. Setbacks Requirements	
South County Rural Area Standards: Rural Lands. Guadalupe Dunes Oilfield. 1. Limitation on Use	
EXISTING USES: Remediation, research, and restoration	
SURROUNDING LAND USE CATEGORIES AND USES: <i>North:</i> Recreation/Preserved dune land and coastal recreation <i>East:</i> Agriculture/Row crops <i>South:</i> Rural Lands/Santa Maria River, County park, grazing <i>West:</i> Pacific Ocean	
ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT: COUNTY GOVERNMENT CENTER ♦ SAN LUIS OBISPO ♦ CALIFORNIA 93408 ♦ (805) 781-5600 ♦ FAX: (805) 781-1242	

OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: The development of the Wetland Restoration and Mitigation Plans was done in close cooperation with the following agencies: CA Coastal Commission; CA Department of Fish and Game; U.S. Army Corps of Engineers; U.S. Fish and Wildlife Service; and SLO County Department of Planning and Building.	
TOPOGRAPHY: Moderately rolling with some steeply sloping sand dune areas	VEGETATION: Coastal Dune Scrub; Freshwater Marsh/Wetlands; Riparian; Dune Swale; Riverine; Disturbed/Degraded Grassland
PROPOSED SERVICES: Water supply: On-site wells Sewage Disposal: Not applicable Fire Protection: CDF/County Fire Department	ACCEPTANCE DATE: July 1, 1990

PROJECT HISTORY

The former Guadalupe Oil Field (project site) occupies over 2,800 acres of the Guadalupe-Nipomo Dunes Complex and is located on the Central California Coast in San Luis Obispo and Santa Barbara Counties (Figures 1 and 2). The Field is bounded on the south by the Santa Maria River, on the west by the Pacific Ocean, on the north by the Guadalupe-Nipomo Dunes National Wildlife Reserve, and to the east by agricultural land. Cattle are also grazed on parcels to the immediate east and south of the Field.

The principal land use at the Field from 1946 to March 1994 was the production of oil and natural gas. Unocal first acquired a 49 percent oil lease interest in the Field in 1951. By March 1953, the Field produced up to 2,000 barrels per day from 34 oil wells. Unocal purchased the remaining 51 percent oil lease interest of the Field in June 1953. Unocal oil production operations ceased April 1994.

The crude oil produced at the project site was extremely viscous. To enhance the production and transportation of the heavy crude oil, a refined petroleum product referred to as diluent was introduced at the project site in the 1950s. The composition of the diluent was similar to that of a mixture of kerosene and diesel oil. Over the years, diluent was inadvertently released from the pipelines and storage tanks and is now present in soils and groundwater at the project site.

Currently, separate-phase and dissolved-phase affected plumes are present within the dune sand aquifer beneath many areas of the project site. Dissolved-phase diluent moves slowly relative to groundwater movement, due to adsorption and biodegradation. However, dissolved-phase diluent is present in several areas where it has the potential to discharge into surface waters. Studies conducted by Unocal and the Environmental Biotechnology Institute at California Polytechnic State University at San Luis Obispo indicate that the diluent is biodegradable under aerobic conditions.

On April 3, 1998, the Central Coast Region of the California Regional Water Quality Control Board (RWQCB) issued Cleanup or Abatement Order (CAO) No. 98-38, which initiated the Guadalupe Restoration Project (GRP). On November 6, 1998, the RWQCB revised CAO 98-38 to change the schedule and add required actions for sumps. CAO 98-38 directed that certain dissolved phase diluent plumes in proximity to surface waters be excavated. These remediation activities will be in federal and state jurisdictional wetlands. On December 10, 1998, the County of San Luis Obispo issued Coastal Development Permit/Development Plan (CDP/DP) D890558D for the remediation and restoration project. Unocal submitted a subsequent application on June 28, 2001 for the review of alternative treatment options for the hydrocarbon-affected soils. An amendment to the 1989 CDP/DP must be approved prior to the start of construction activities related to this Wetland Restoration and Mitigation Plan.

On October 16, 2002 Unocal submitted a Pre-Construction Notice and Biological Assessment to the United States Army Corps of Engineers (USACE) for all Project related activities. The USACE subsequently initiated a Section 7 Consultation from the United States Fish and Wildlife Service (USFWS), which must be available prior to the initiation of construction activities related to this Wetland Restoration and Mitigation Plan.

AGENCY CONSULTATION

Condition F67 required that Unocal develop the Wetland Restoration and Mitigation Plans in consultation with various agencies. In order to comply with this condition requirement a Restoration Working Group (RWG) was formed to address technical issues that apply to the

project site and to the Wetland Restoration and Mitigation Plan in particular. The RWG consisted of representatives from the California Coastal Commission, California Department of Fish and Game, San Luis Obispo County, USFWS, Unocal and various technical experts representing the participants.

The Wetland Restoration and Mitigation Plan was prepared in cooperation with the RWG so that alignment and consensus among the resource agencies involved in the final approval of the Plan could be obtained as the Plan was being prepared.

The RWG held over 20 meetings during a 3-year period. All of the agencies were actively involved in developing and reviewing all aspects of the Wetland Restoration and Mitigation Plan. The RWG meetings were used to develop items such as the structure of the Wetland Restoration and Mitigation Plan, the goals of the restoration, success criteria for vegetation and wildlife, the various functions and values of the wetlands, etc. The meetings were also used to review drafts of the document and provide comment back to Unocal.

The Wetland Restoration and Mitigation Plan consists of a general guiding document for wetland restoration activities at the project site. This general document describes the functions and values of existing wetlands in a broad manner, the generalized goals of wetland mitigation, and other broad guidance concepts of how wetland restoration activities will be conducted. Specific Site descriptions and restoration prescriptions are provided in the Site Specific Restoration Plans, which are included as Appendices to the main document.

Condition F67(c) required that Unocal develop a plan for monitoring dissolved-phase diluent to ensure detection of exposures approaching potential damage thresholds to vegetation and wildlife. An extensive Water Monitoring Plan has been developed jointly between Unocal and the RWQCB to monitor the condition and quality of ground and surface waters at the Field. A Risk Management Group (RMG) was formed that consisted of representative of California Department of Fish and Game, RWQCB, San Luis Obispo County, USFWS, Unocal and various technical experts representing the participants.

The RMG reviewed the water quality and ecological data and conducted an extensive evaluation of the potential for impacts to vegetation and wildlife from dissolved-phase diluent at each of the proposed wetland restoration sites. These impact evaluations were used to develop the final designs for the restored wetlands so as to minimize the risk of dissolved-phase diluent impacting vegetation or wildlife. An appendix to the Wetland Restoration and Mitigation Plan contains a Risk Management Summary for each of the wetland restoration sites. These summaries document the results of the work conducted by the RMG.

PROJECT ANALYSIS

The Wetland Restoration and Mitigation Plan has been prepared in accordance with Condition of Approval F67, which was a mitigation measure developed through preparation of the 1998 EIR. The 1998 EIR was certified by the County of San Luis Obispo Planning Commission March 1998 and in August of 1998 the Planning Commission issued CDP/DP D890558D.

The approval of CDP/DP D890558D was based on an analysis of project compliance with the Coastal Zone Land Use Ordinance. Consistent with that project analysis, no further analysis is necessary because the subject WRMP is a component of the original approval.

COMBINING DESIGNATIONS

The Land Use Element and Local Coastal Plan, South County Planning Area shows the following Combining Designations as being applicable to the project site (refer to Exhibit E): Energy and Extractive Area; Flood Hazard; Sensitive Resource Area; Terrestrial Habitat; and Local Coastal Plan. These combining designations and the proposed project's consistency with them are addressed in the above sections (refer to Coastal Zone Land Use Ordinance and Land Use Element and Local Coastal Plan, South County Planning Area Analysis sections).

ENVIRONMENTAL DETERMINATION

The WRMP is a mitigation measure/condition of approval requirement and is not a project. Condition of Approval F67, requiring preparation of the WRMP, came about through preparation and certification of the 1998 EIR and was developed to mitigate impacts to wetlands on the project site to a level of insignificance. No environmental determination is necessary.

LEGAL LOT STATUS

The three (3) lots were legally created by deed at a time when that was a legal method of creating lots.

ATTACHMENTS

- Exhibit A: GOF Vicinity Map
- Exhibit B: GOF Project Location
- Exhibit C: GOF Project Site and Wetland Restoration Sites
- Exhibit D: Land Use Category Map
- Exhibit E: Combining Designations
- Exhibit F: Wetland Restoration and Mitigation Plan – November 7, 2005 (provided under separate cover)

Staff report prepared by Bill Henry, Morro Group, Inc. and John Peirson, Jr., MRS
reviewed by John Nall, County of San Luis Obispo

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING



PROJECT

Development Plan/
Coastal Development Permit
Unocal Corporation - D890558D

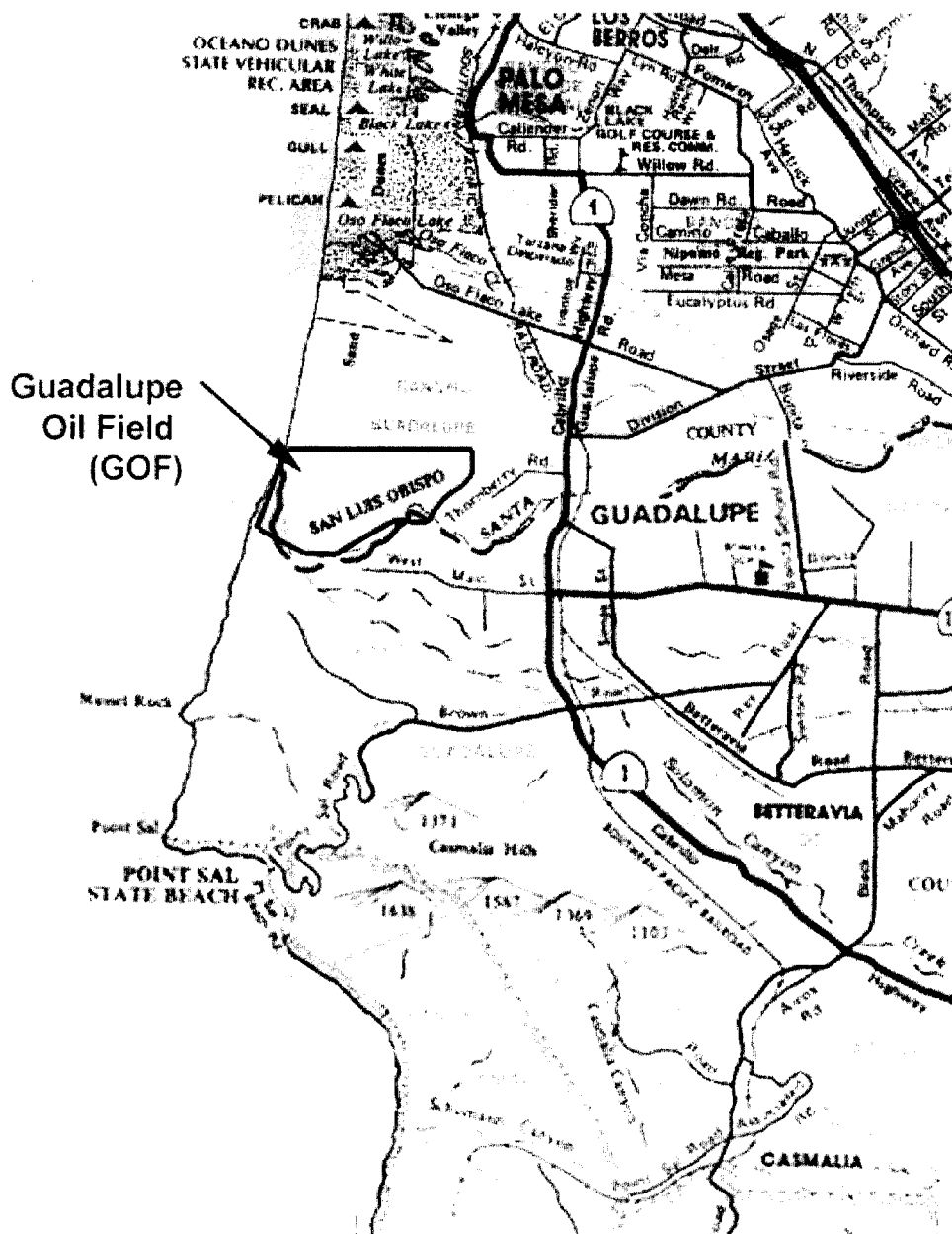


EXHIBIT

A: GOF Vicinity Map

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SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING



PROJECT

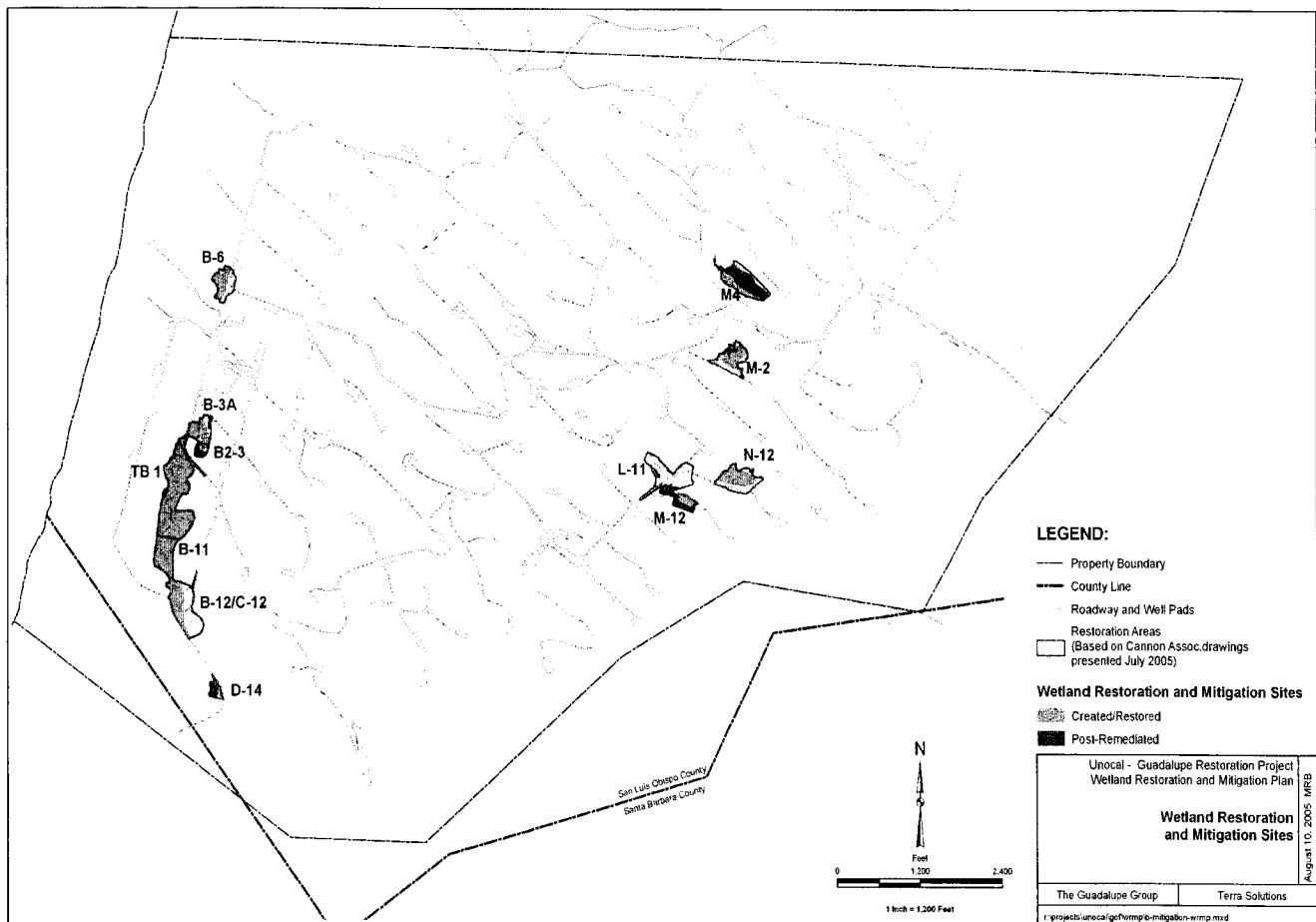
Development Plan/
Coastal Development Permit
Unocal Corporation - D890558D



EXHIBIT

B: GOF Project Location

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING



PROJECT

Development Plan/
 Coastal Development Permit
 Unocal Corporation - D890558D

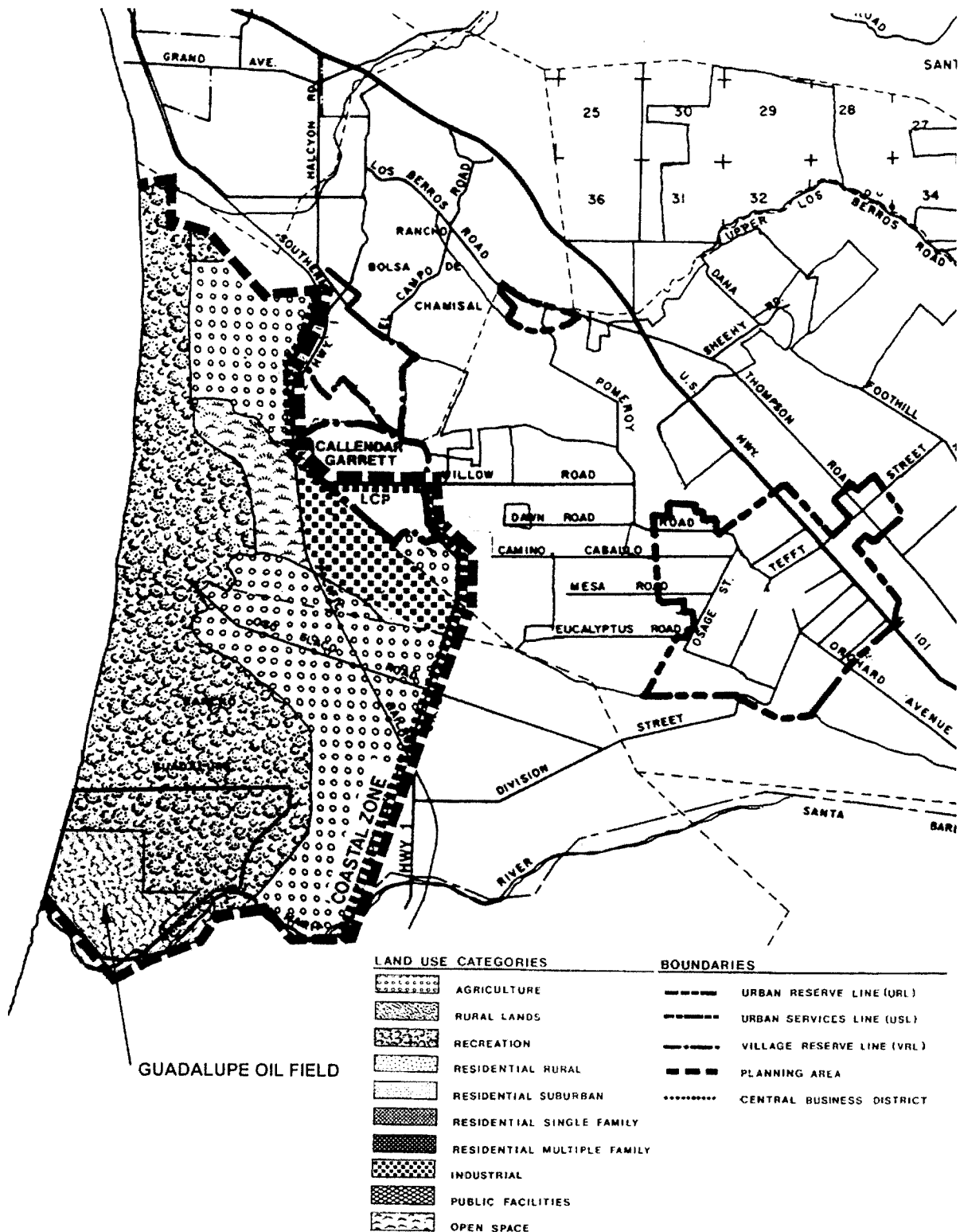


EXHIBIT

**C: GOF Project Site and Wetland
 Restoration Sites**

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SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING



PROJECT

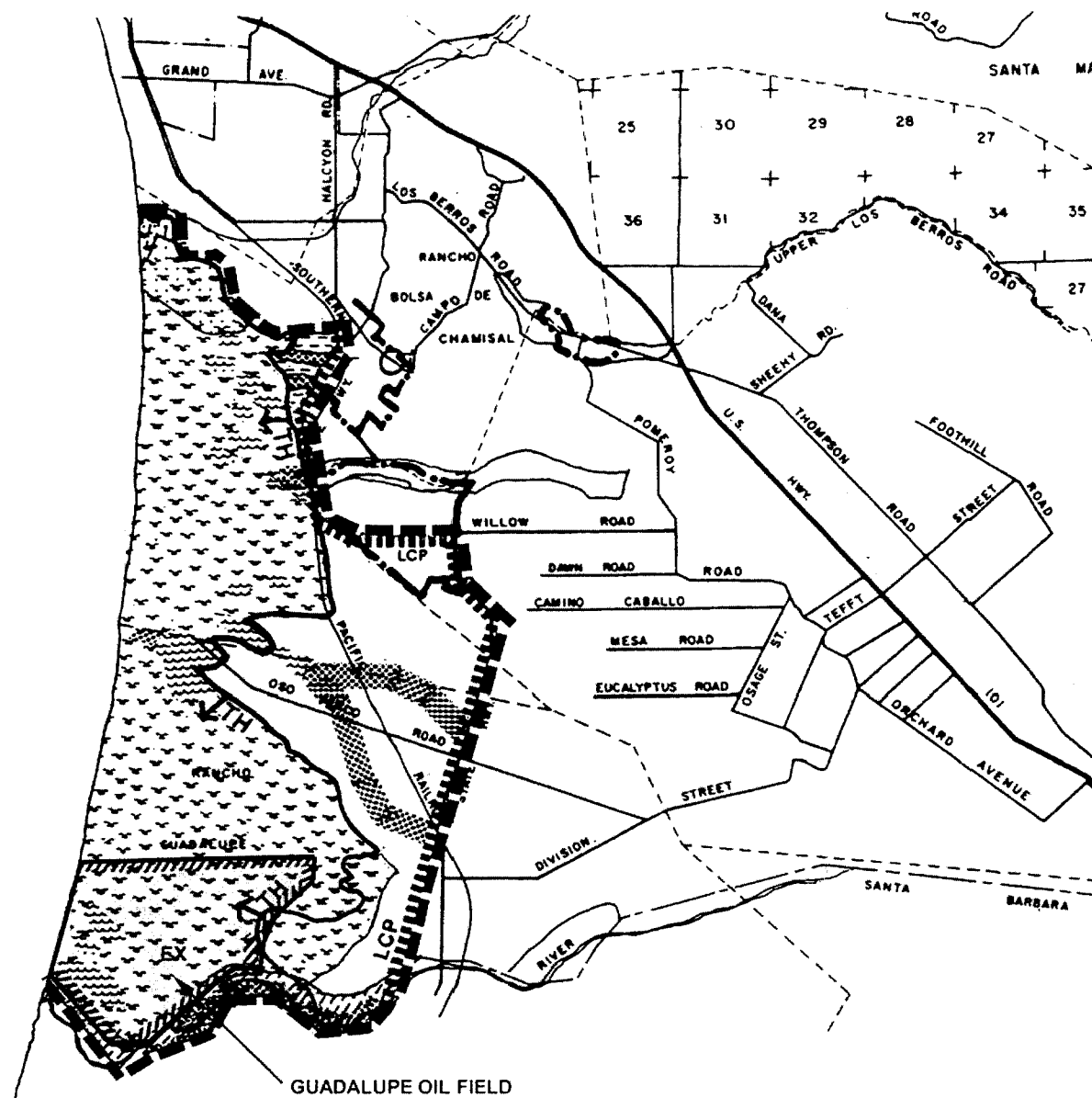
Development Plan/
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Unocal Corporation - D890558D



EXHIBIT

D: Land Use Category Map

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING



COMBINING DESIGNATIONS

AR	AIRPORT REVIEW
ARCH-SEN	ARCHAEOLOGICALLY SENSITIVE AREAS
GS	GEOLOGIC STUDY AREA
FH	FLOOD HAZARD
H	HISTORIC
EX	EX ENERGY & EXTRACTIVE AREA
LCP	LOCAL COASTAL PLAN
V	VISITOR SERVING AREA
SRA	SENSITIVE RESOURCE AREA

PROPOSED PUBLIC FACILITIES

HS	HIGH SCHOOL
JHS	JR. HIGH SCHOOL
E	ELEMENTARY SCHOOL
P	PARK
PS	POLICE OR PUBLIC SAFETY FACILITY STATION
WT	WATER TREATMENT FACILITIES
ST	SEWAGE TREATMENT FACILITIES
SW	SOLID WASTE FACILITIES
GP	GOVERNMENT FACILITY
L	LIBRARY

SENSITIVE RESOURCE AREAS THAT ARE ALSO ENVIRONMENTALLY SENSITIVE HABITATS

TH	TERRESTRIAL HABITATS
CS	COASTAL STREAMS AND RIPARIAN VEGETATION
W	WETLANDS
*	MARINE HABITAT

PROJECT

Development Plan/
 Coastal Development Permit
 Unocal Corporation - D890558D



EXHIBIT

E: Combining Designations